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Attorney for Defendants

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF ALASKA AT FAIRBANKS

ROBERT PROBERT and LORETTA E. )  
PROBERT, and others similarly situated, )

Plaintiffs, )

vs. )

FAMILY CENTERED SERVICES OF )  
ALASKA, INC. )

Defendants. )

) Case No.: 4:07-CV-00030 RRB

**AFFIDAVIT OF KATHY CANNONE IN SUPPORT OF MOTION FOR  
CERTIFICATION FOR APPEAL BY PERMISSION**

STATE OF ALASKA )  
 ) §§.  
FOURTH JUDICIAL DISTRICT )

KATHY L. CANNONE having been first duly sworn upon oath, deposes and  
states as follows:

1. I am employed by Family Centered Services of Alaska, Inc. ("FCS") as its Chief Financial Officer. I am over eighteen year of age, have personal knowledge of the facts, and am competent to testify hereto


2. FCS has seven family homes in the Fairbanks area, which provide homes for approximately thirty-five needy children. In addition, FCS has built one family home in Dillingham and is building three homes in Wasilla, all of which were scheduled to open shortly. If the Court's orders awarding overtime compensation stand, the Fairbanks homes may close and the others may not open.

3. Personnel costs are the largest component of FCS's budget. FCS's house parents are very well-compensated and are one of the highest paid groups in the agency. Plaintiffs Proberts, for example, received a total annual compensation package worth approximately \$125,550. Under this Court's rulings, the annual cost of the overtime pay and related costs, such as federal employment taxes, could be as high as \$218,610 if the Proberts can prove the validity of all hours they recorded on their timesheets, resulting in a total annual compensation package of \$344,160. See attached Compensation Comparison Summary. Medicaid pays for nearly all of the children's services (99.5%) and reimbursement from private insurance (.5%) accounts for the balance. The actual amount of Medicaid services billed by the Proberts during their employment as home parents was \$218,195. If the additional overtime were paid to the Proberts, the loss to FCS on this family home, alone, would amount to approximately \$178,867 annually. If all the FCS house parents were compensated at the same rate, the annual loss would be approximately \$1,252,069. FCS has no resources for the group homes, other than the

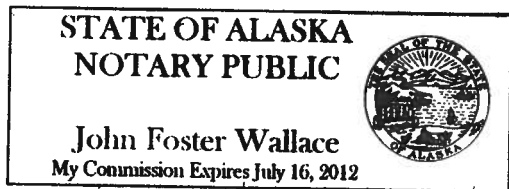
program income from Medicaid, the small amount from private insurance, and no grant funds. FCS cannot operate group homes at this loss level.

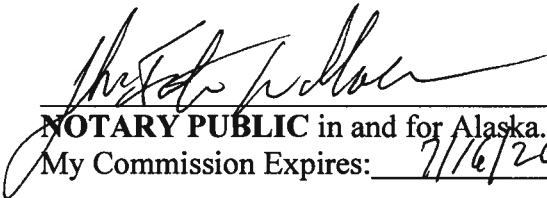
**FURTHER YOUR AFFIANT SAYETH NAUGHT.**

**DATED** this 27<sup>th</sup> day of March 2009 at Fairbanks, Alaska.

  
KATHY L. CANNONE

**SUBSCRIBED AND SWORN** to before me on the 27<sup>th</sup> day of March 2009 at Fairbanks, Alaska.



  
NOTARY PUBLIC in and for Alaska.  
My Commission Expires: 7/16/2012

**Compensation Comparison Summary  
for Loretta and Robert Probert  
If Paid for All Hours Recorded on Timesheets Compared to Actual Payments  
Period Employed as Family Parents 07/30/2006 to 08/29/2007**

	Actual Compensation	Pro-Forma Compensation	Difference		Rate	Months
Robert Probert Wages	\$ 49,378	\$ 137,657	\$ 88,279	Pay rate \$22.64 plus overtime rate as applicable		
Loretta Probert Wages	\$ 22,906	\$ 128,747	\$ 105,841	Pay rate \$22.64 plus overtime rate as applicable		
<u>Other Benefits Bob Probert</u>						
FICA, Esc.	\$ 3,661	\$ 10,207	\$ 6,546			
Work Comp.	\$ 494	\$ 1,377	\$ 883			
Medical FCSA contribution only	\$ 13,395	\$ 13,395	\$ -			
Other insurance life & Disability	\$ 36	\$ 72	\$ 36			
FCSA Retirement contribution	\$ 3,597	\$ 11,701	\$ 8,104	8.5% No Employee Match Required		
<u>Other Benefits Loretta Probert</u>						
FICA, Esc.	\$ 1,698	\$ 9,547	\$ 7,849			
Work Comp.	\$ 229	\$ 1,287	\$ 1,058	On Husbands Coverage		
Medical FCSA contribution only	\$ -	\$ -	\$ -			
Other insurance life & Disability	\$ 15	\$ 30	\$ 15			
FCSA Retirement contribution	\$ -	\$ -	\$ -	Had not Reached Eligibility		
housing, rent/mortgage	\$ 13,200	\$ 13,200	\$ -	estimated average per year	\$ 1,100	12
house maintenance & maintenance staff			\$ -			
automobile gas	\$ 1,440	\$ 1,440	\$ -	estimated average per year	\$ 120	12
company vehicle unlimited use			\$ -			
utilities, electric	\$ 1,920	\$ 1,920	\$ -	estimated average per year	\$ 160	12
utilities, water & sewer	\$ 2,400	\$ 2,400	\$ -	estimated average per year	\$ 200	12
utilities, oil	\$ 3,600	\$ 3,600	\$ -	estimated average per year	\$ 300	12
telephone	\$ 500	\$ 500	\$ -	estimated average per year	\$ 60	12
cable TV & internet	\$ 720	\$ 720	\$ -	estimated average per year	\$ 450	12
food	\$ 5,400	\$ 5,400	\$ -	estimated average per year	\$ 80	12
general household & personal hygiene	\$ 960	\$ 960	\$ -	estimated average per year		
<b>Total Wage plus other Compensation</b>	<b>\$ 125,550</b>	<b>\$ 344,160</b>	<b>\$ 218,610</b>			